

Twelfth Annual Report  
**State Board of Hail  
Insurance**  
*To Montana Grain  
Growers*



**Brief Summary**

**1928 STATE HAIL INSURANCE  
BUSINESS**

Total Risk Written.....	\$2,008,592
Premium Charge .....	\$ 149,847
Losses Paid .....	\$ 141,022
Farmers Insured .....	1,935
Loss Claims Filed .....	422
Total Acres Insured.....	248,000
Average Insurance Per Acre.....	\$ 8.10
Average Acres Insured Per Farmer	123
Number of Days with Hail.....	34
Average Cost of Insurance.....	7½%
Cost of \$10 per acre Insurance .....	.75
All 1928 Losses Paid in Full.	
SURPLUS FOR PAYMENT OF 1929 LOSSES .....	\$ 50,000

# News of Importance Regarding Montana State Hail Insurance

All 1928 losses were promptly paid in full. First payments were made in July and August, and final payments were made by the first week in October. There was an increase of more than 10% in the amount of business written and the increase would have been much greater had the rains started sooner in June.

**July Losses Were Most Severe.** Loss claims were filed for 24 days in this month. The most severe damage was in the northern tier of counties from Glacier to Sheridan, and in the southeastern part of the state from Stillwater and Musselshell counties to the eastern border.

## 1928 LOSSES FROM HAIL AGAIN SHOW NEED OF PROTECTION THROUGH HAIL INSURANCE.

The July 31st storm in Sheridan county was disastrous to dozens of farmers from south of Plentywood to Dagmar. The destruction was so complete in many fields that nothing remained but blackened soil. Not enough straw was left for feed. Many adjusters reports from this storm read as follows:

“This man had 360 acres—it is all gone.”

“465 acres here pounded into ground.”

“Absolutely nothing left in this field.”

“Another total loss—nothing left.”

Many of these farmers were insured and received loss payments of from \$500.00 up to several thousand dollars.

\$50,000.00 WILL BE CARRIED OVER FROM 1928 for paying 1929 losses, if needed. Also it is estimated that more than \$10,000.00 will be collected during the year which may also be used for the payment of losses. This sum when added to the 1929 levies makes the payment of losses in full much more certain.

**Experienced Adjusters.** Most of the adjusters used for 1928 will be available again in 1929 which assures the farmers of fair and equitable adjustments for their hail losses. These men have a sincere interest in the problems of the farmers and will continue to give almost complete satisfaction in adjusting hail losses.

**Full Information** on any phase of State Hail insurance may be obtained from county assessors or from the

STATE BOARD OF HAIL INSURANCE,  
Helena, Montana.

# Detail of 1928 Risk Written, Premium Charge and Losses, Including 10 Year Loss Ratio.

County.	1928 Risk	Charge	Paid	Average Annual	
				1928 Loss Ratio	Loss Ratio 10 Years
Beaverhead .....	\$ 8,700	\$ 704	\$ 797	9 %	5 %
Big Horn .....	160,698	11,570	16,978	11	5
Blaine .....	7,610	479			1
Broadwater .....					
Carbon .....	15,868	1,142	285	2	2
Carter .....	62,028	5,024			2 1/2
Cascade .....	67,970	4,893	105		2
Chouteau .....	18,600	1,339	5,041	27	11
Custer .....	131,920	9,498	29,215	22	5
Daniels .....	38,942	2,803	708	2	5
Dawson .....					
Deer Lodge .....	40,340	2,904	1,253	3	4
Fallon .....	12,253	992	151	1	8
Fergus .....					
Flathead .....	18,575	1,170	1,733	9	9
Gallatin .....	20,335	1,647	2,713	13	9
Garfield .....	52,342	4,239	4,064	8	4
Glacier .....	10,629	956	50		16
Golden Valley .....					
Granite .....	71,762	5,166	644	1	20
Hill .....	800	50			3
Jefferson .....	5,713	462	45	1	5
Judith Basin .....	420	18			
Lake .....	4,600	289			
Lewis and Clark .....	52,715	3,795	2,138	4	2
Liberty .....	83,023	5,977	1,762	2	7
McCone .....	3,060	192	327	11	6
Madison .....	24,060	2,165	796	3	14
Meagher .....					
Missoula .....	21,133	1,902	1,548	8	17
Musselshell .....	1,000	90	49	5	16
Park .....	7,711	624	272	4	4
Petroleum .....	72,017	5,185	11,290	16	7
Phillips .....	43,265	3,504	19		7
Pondera .....	49,465	3,561	3,766	8	9
Powder River .....					
Powell .....	82,350	5,929	2,389	3	6
Prairie .....	60,766	4,375	120		3
Richland .....	168,312	12,118	5,819	3	3
Roosevelt .....	10,480	848	1,295	12	5
Rosebud .....					
Sanders .....	200,857	14,461	27,105	13	5
Sheridan .....	8,710	783	2,762	32	12
Stillwater .....	350	31			6
Sweet Grass .....	1,320	106	24	2	1
Teton .....	92,646	7,504	4,413	5	7
Toole .....	11,195	906	167	1	7
Treasure .....	106,181	7,645	1,222	1	5
Valley .....	60,040	5,403	1,757	3	11
Wheatland .....	79,341	5,712	6,531	8	7
Wibaux .....	18,490	1,664	1,658	7	9
Yellowstone .....					
	\$2,008,592*	\$149,847*	\$141,022*	7%	6 3/4 %

This rate is not typical of Granite County as only a few policies have been in force there.

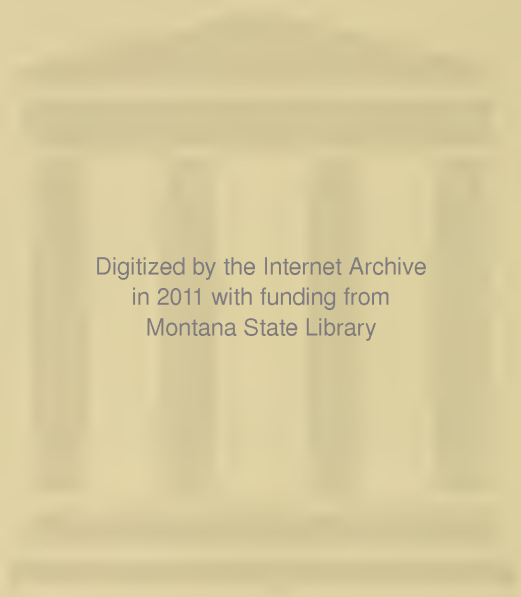
\*Cents are omitted.

## STATEMENT SHOWING AVERAGE COST PER ACRE AND THE RECORD OF PAYMENT FOR THE LAST 10 YEARS.

Year	Insurance Carried Per Acre	Percent of Losses Paid	Cost for \$10 Per Acre Insurance	Cost in Per Cent
1919	\$12.00	100	.60	6
1920	12.00	100	.80	8
1921	12.00	100	.90	9
1922	12.00	100	.70	7
1923	10.00	69	.88	8 8-10
1924	10.00	100	.83	8 3-10
1925	10.00	100	.66	6 6-10
1926	10.00	100	.69	6 9-10
1927	10.00	100	.83	8 3-10
1928	10.00	100	.75	7 5-10

## ADMINISTRATION ACCOUNT FOR 1928.

1. State office salaries and traveling expenses (chairman, clerk hire, Board members' per diem and expenses) .....	\$5,128.80
2. General office expense (printing, stationery, postage, telephone, telegraph, equipment and supplies) .....	2,105.73
3. Hail adjusters' per diem and expenses .....	5,036.12
4. Advertising .....	424.74
Total expense for 1928 business .....	\$12,695.39
Expense collecting delinquent accounts .....	885.87



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**Brief Review Twelve Years State Hail Insurance.** During these years 21,733 farmers have insured with the State department, carrying a total of about \$26,000,000 of hail insurance. Losses have been paid to 5,543 farmers. In many cases these payments have enabled farmers to carry on. Without them many would have been foreclosed or would have been forced through bankruptcy.

The post war deflation period for agriculture was about as serious for the State hail department as it was for the farmers. During 1920, '21 and '22 more than a thousand farmers were delinquent with their hail insurance accounts. This resulted in a very serious condition for the department as many of these have not paid to date and will not pay.

Starting with 1923 nearly all hail levies have been paid with the result that the loss occasioned by the delinquency mentioned above has been taken care of and a surplus of \$50,000 will be carried over to use in paying 1929 losses, if needed. It is the aim of the State Board of Hail Insurance to increase this surplus fund finally to a point where it will be from one to two times as large as the annual levy for hail insurance, so that serious loss years may be taken care of without excessive levies.

**Recent Legislative Changes.** The reserve fund provision in the hail law was changed permitting the Board to levy more closely each year to the maximum levy, thereby adding more rapidly to the reserve fund.

Also permission is given the Board to use the reserve fund for the payment of the 1923 prorated losses when in its judgment funds may be spared for that purpose. Also if in any future year the losses should be again prorated, the Board would have authority to pay up later, whenever funds can be accumulated. 1923 was the only year of the last ten in which losses were not paid in full.

**Changes in Rates for a Few Counties.** Carbon, Cascade and Teton counties have been changed from the second to the third zone for 1929, owing to their continued low loss rate. This changes the maximum rate from 9% to 8%. Also Powder River and Custer counties have been changed from the third to the second zone owing to heavy losses there. This changes the rate from 8% to 9%.

#### **STATE HAIL INSURANCE IDEA STILL GROWING.**

Alberta, Saskatchewan, North Dakota, South Dakota, Montana and Nebraska now have State Hail Departments. Owing to continued heavy hail losses, Kansas, Colorado, and Wyoming are now considering State Departments in order that the burden of severe hail damage may be lessened through cheaper hail insurance made possible through the use of State machinery in operating. If these States adopt State Hail Insurance the entire northwestern hail belt will then be covered with State Hail Departments. The largest of the present State Departments is in North Dakota, where the sum paid on losses annually runs several millions of dollars. Also their reserve fund now stands at \$4,000,000.



# HOW TO GET STATE HAIL INSURANCE

1st. Apply to the assessor of the county in which the grain to be insured is growing.

2nd. Any tenant may secure hail insurance without cash payment if his crop is not previously mortgaged, except for seed grain or feed. Waivers will be accepted by the assessors from mortgagees if needed. Assessors will furnish and assist in filing these waivers.

3rd. Any land owner may insure by permitting the hail insurance to be assessed against his land. If the land is under foreclosure, or has more than one year's delinquent taxes, the owner must then insure under a crop lien provision the same as shown for tenants in paragraph number 2 above. Also he may have the mortgagee sign consent for the levy to be made against the land.

4th. Tenants or land owners who are prevented from insuring by mortgages, delinquent taxes, or other reasons, may get their hail insurance for cash.

## KINDS OF CROPS THAT MAY BE INSURED.

Wheat	Buckwheat	Alfalfa Seed
Oats	Corn	Peas
Flax	Speltz	Beans
Barley	Timothy	Hay Crops
Rye	Clover Seed	

If insurance is desired on crops not listed please write the State Board of Hail Insurance at Helena.

## AMOUNT OF INSURANCE PER ACRE LIMITED.

All grain crops may be insured for not more than \$10.00 per acre except that peas and beans may be insured for not to exceed \$15.00 per acre. Hay crops may be insured for not more than \$5.00 per acre.

## REDUCED RATE IN CASE OF CROP FAILURE.

Reductions for crop failures will be made if application is made before July 1st for winter grain and before July 20th for spring planted grain. See the back of the application for full information.

## COST OF STATE HAIL INSURANCE.

The cost of State hail insurance varies somewhat according to the county in which the grain is insured. The maximum rates for the various counties are given on the back of each application for hail insurance. These rates have been reduced in a few years when losses were light. The average cost in all counties has been  $7\frac{1}{2}\%$  or for insurance at \$10.00 per acre the cost has averaged 75 cents.

## HOW MUCH HAIL INSURANCE PER ACRE.

Ordinarily \$10.00 per acre is considered as enough hail insurance for the average crop. The crop may be worth more than this in the bin or elevator but many good farmers think \$10.00 per acre enough insurance to carry unless there is a very good prospect of a big yield. When the crop looks like 20 to 30 bushels per acre or more, then the farmer should have more insurance.

## WHEN TO INSURE.

The practice of insuring as soon as planting is finished has been abandoned in recent years because of the many things that may damage the grain. The safest practice seems to be to place about \$10.00 per acre on grain when it gets to six inches or more in height and is growing under favorable conditions. If conditions are especially favorable as the grain matures, then more insurance should be added.

## ADJUSTMENT OF LOSSES.

This part of the work is most important and has been progressing satisfactorily. Experience shows that our adjusters, both local and full-time, are able to make very satisfactory adjustments and that their farming experience enables them to estimate the hail damage quite closely. The adjusters enjoy a good measure of co-operation with the grain growers. It was thought at first by many that the local adjusters used could not make good adjustments because they, in most cases, had no previous experience in insurance. Their records average high and prove that the main requirements for a good adjuster are good judgment and general farming experience.

## PAYMENT OF STATE HAIL LOSSES.

State hail losses are paid with warrants drawn on the hail insurance fund. The law provides for the payment of the first half of each loss, less the amount owed for hail insurance, within forty days. The sum of \$50,000 is on hand from 1928 and will be used for these payments as needed. The final payments are made at the close of the hail season and are usually finished in September. These warrants have been treated as cash for several years and enable the farmers to get the amount due on the hail insurance as soon or sooner, than the crop could have been sold.

## HOW RATES ARE SET.

The aim is to put the various counties within the zone represented by the proportionate risk from hail. The State experience is used together with what information is obtainable from Stock Companies. Changes are made slowly because of the chance of upset in the experience. For instance, for 1928 more loss was paid in Daniels county than in the former 11 years. A few other counties have about the same experience.

## REASONS WHY MONTANA FARMERS SHOULD CARRY STATE HAIL INSURANCE.

Each grain grower should carry enough hail insurance to more than cover his urgent bills. The nearer he farms to a one crop basis, the more he needs hail insurance.

Hail is the greatest unavoidable risk that the grain crops are subject to.

State hail insurance may be used as a basis of credit. It may be made payable as desired or may be assigned, but it cannot be garnisheed or attached.

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A larger share of the money paid for State hail insurance is used for loss payments than is possible by any other method of insuring.

## PERSONNEL OF STATE BOARD OF HAIL INSURANCE.

E. K. Bowman, Chairman, Helena

Farmer and Member Montana Farmers' Union.

A. H. Bowman, Secretary, Helena

Commissioner of Agriculture.

F. E. Williams, Member, Helena

State Treasurer.

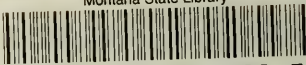
P. J. Anderson, Member, Conrad

Farmer and Former Officer Montana Grange.

B. J. Anderson, Member, Fairview

Farmer and Officer Richland County Farm Bureau.

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